The Evening Star

Mastering the Bearish Reversal

Gemini Notebook



Pattern Type

Bearish Reversal



Composition

3-Candle Formation



Required Context

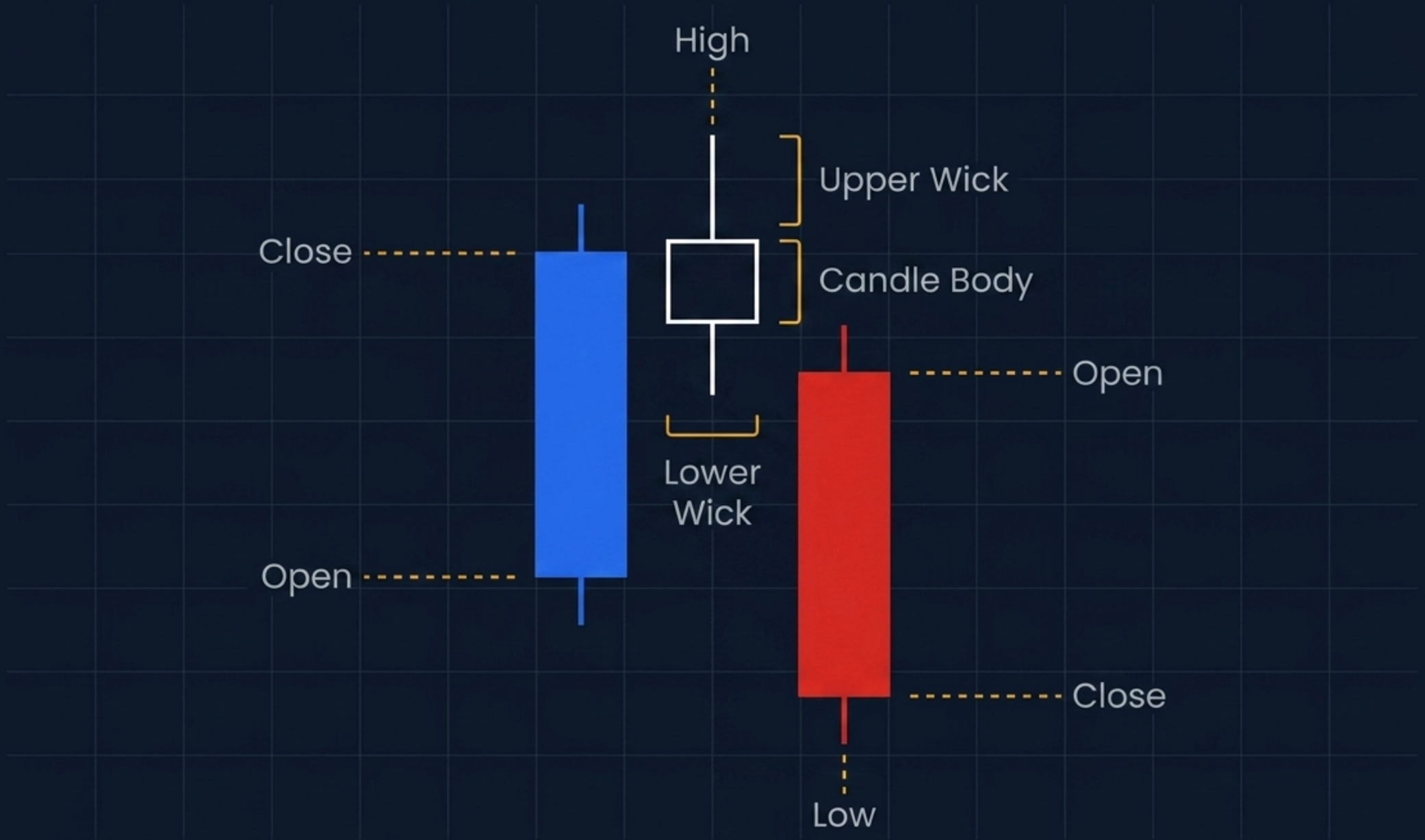
Prior Uptrend Required



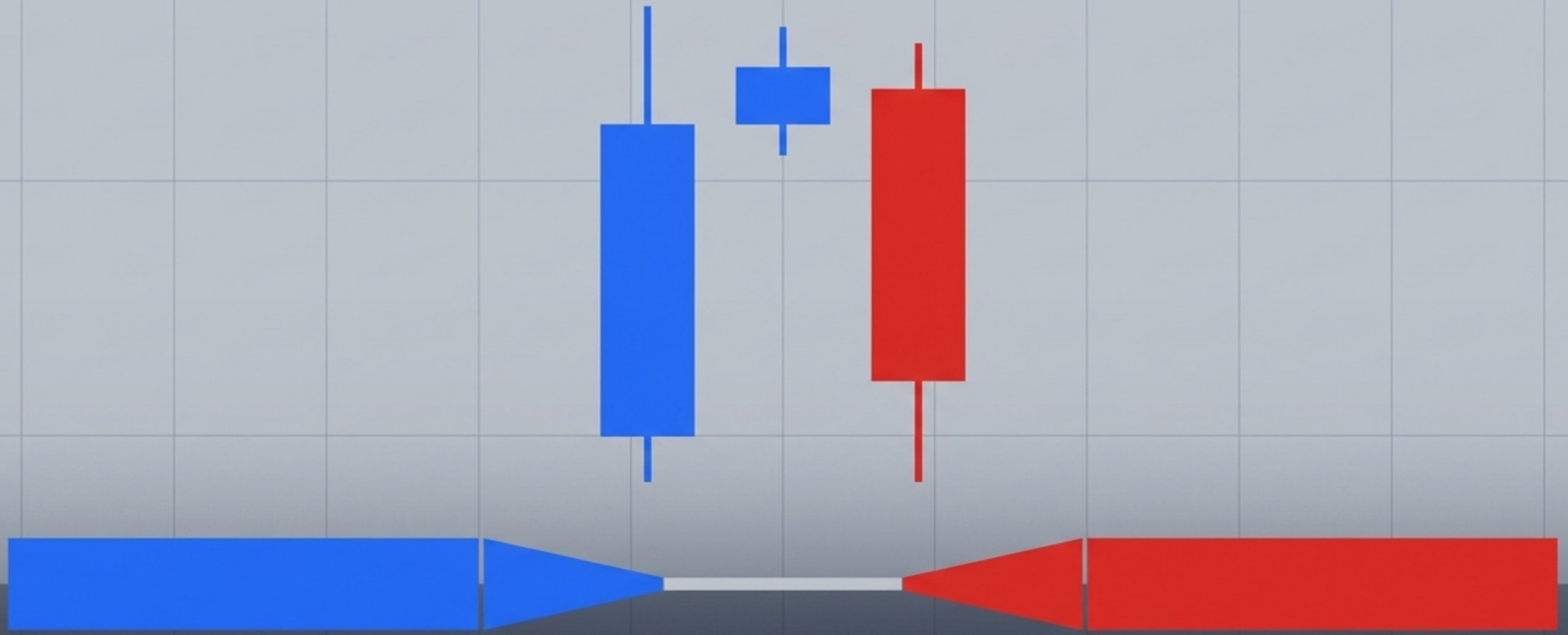
Reliability

High Reliability

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Stage 1: Euphoria

Bulls are in total control, pushing prices to new highs.

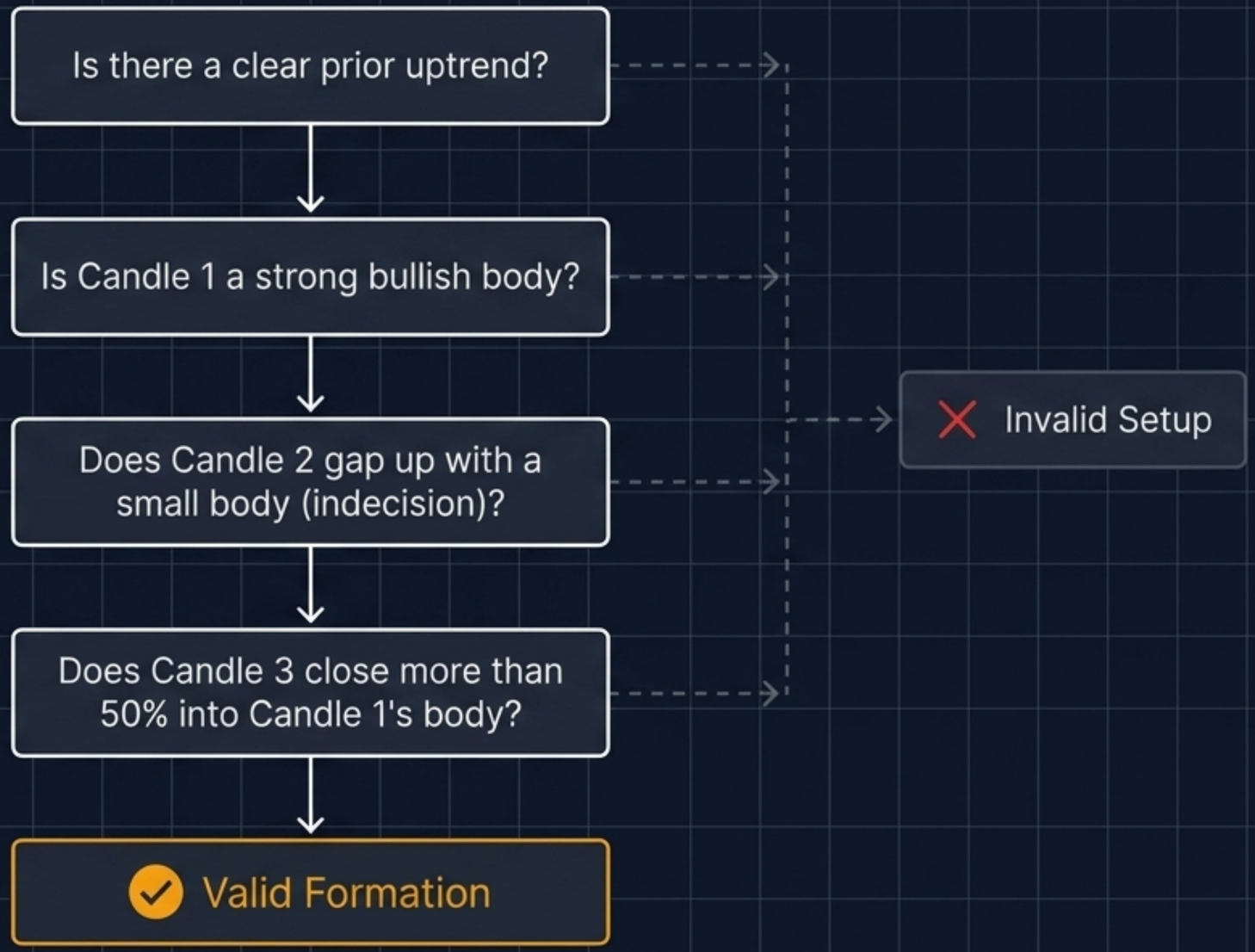
Stage 2: Indecision

Buying pressure stalls; supply and demand reach equilibrium.

Stage 3: Panic

Bears seize control, trapping late buyers and forcing a rapid sell-off.

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Spotting the pattern is the diagnosis.

Breaking the low is the confirmation to act.

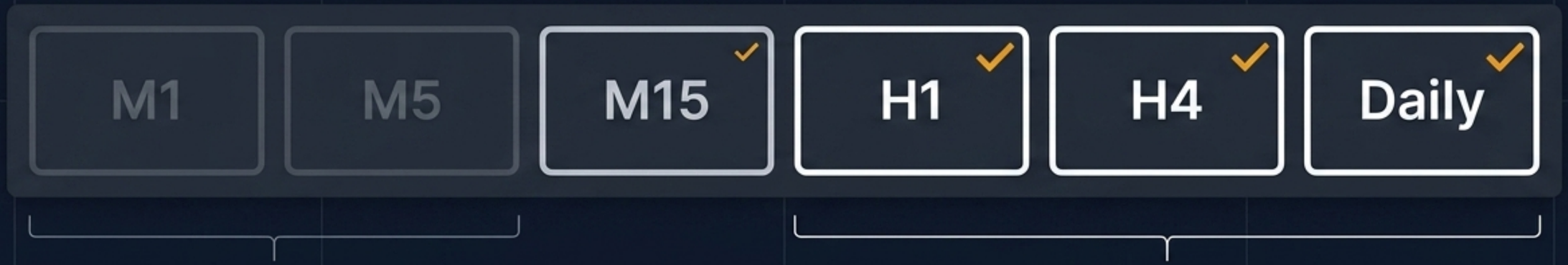
The Trigger: Wait for the next candle to break below the 3rd candle's low.

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Optimal Timeframes for the Evening Star



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Picture-Perfect Setup



Trading at the top of an established trend.

Common Mistake



Trading the pattern inside a ranging market.

Mistake 2: Entering before the 3rd candle closes (ignoring confirmation).

Mistake 3: Placing the Stop Loss too tight, inside the pattern body.

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System Log: Key Takeaways

- The Evening Star is a premium 3-candle bearish reversal pattern.
- It requires a preceding uptrend to be considered valid.
- The psychology reveals a total shift in momentum from euphoric buyers to panicking sellers.
- Always wait for the 4th candle to break the pattern's low for structural confirmation.

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